

## **CINCINNATI CENTER CITY DEVELOPMENT CORPORATION PROGRESS REPORT**

The Cincinnati Center City Development Corporation (3CDC) was created in July 2003 to help develop Cincinnati's Center City – from the Riverfront to Uptown – as a regional center of high value employment and real estate, sustained by a diverse mix of housing, culture, and entertainment. 3CDC is part of an overall system to increase the efficiency and effectiveness of development activities in the City as recommended by the Cincinnati Economic Development Task Force chaired by City Manager Valerie Lemmie and Fifth Third CEO George Schaefer.

Over the past five months, 3CDC has pursued three primary goals: a) establish the organization; b) develop funding sources; and c) create Working Groups focused on three priority areas: Fountain Square, Over the Rhine and The Banks. 3CDC has made solid progress in each area.

### **Establish the Organization**

1. Appointed 23-member Board of business, development and community leaders (see attached roster), with A.G. Lafley, P&G CEO, as Chair and Jim Zimmerman, Chairman of Federated Department Stores, as Vice Chair. Also established Executive Committee, Operating Committees (Strategy & Marketing, Finance, Governance, Economic Inclusion), and Working Groups.
2. Appointed Tom Blinn as 3CDC Interim Director, who has led all aspects of operations since September, including coordination with lead consultant John Alschuler of HR&A. Also assembled a diverse support team to help address key corporation needs including Project Management and Communications
3. Developed operating strategy that includes key areas in which 3CDC will develop strong capabilities: strategic leadership; executional excellence (e.g., partner selection, design and planning, creative and efficient deal financing, and communication); strong, sustained relationships/partnerships; and economic inclusion.
4. Adopted incorporation articles and comprehensive board Conflict-of-Interest policy and review processes.
5. Launched national CEO search, led by search committee chair Jim Zimmerman. CEO selection is expected in early 2004.
6. Working with City of Cincinnati Economic Development Department to define partnership roles on key projects and specific deals.
7. Integrated The Cincinnati Equity Fund into 3CDC. In addition, 3CDC has developed a collaborative relationship with the Cincinnati Development Fund, a Cincinnati development financial institution focused principally on housing.

### **Develop Funding Sources**

With 3CDC's establishment, the City of Cincinnati committed to invest \$100 million over five years to support Center City Plan projects. The private sector committed to raise at least \$50 million. Early progress includes:

- \$90 million private sector commitment to support the Cincinnati New Markets Fund application for New Markets Tax Credits (NMTC). These commitments were assembled in less than thirty days. The NMTC is a Federal program created in 2000 to provide an incentive to stimulate investments to drive economic and community development in distressed communities (in Cincinnati, the qualified area includes Over the Rhine and most of downtown north of Fifth Street).

Investors receive a federal tax credit for 39% of the investment made over seven years. The Cincinnati New Markets Fund application was submitted in September. NMTC recipients will be announced in Spring 2004.

### **Working Groups**

3CDC has established three working groups focused on priority Center City development areas: Fountain Square, chaired by Federated Chairman Jim Zimmerman; Over the Rhine chaired by Kroger Chairman Joe Pichler; and The Banks chaired by Jack Rouse Associates CEO Jack Rouse. All three working groups have been formed and are making solid progress:

#### **Fountain Square:**

1. Established Working Group consisting of key Fountain Square stakeholders.
2. Established vision:  
Transform Fountain Square as the city's civic and retail heart.
  - Create a world class public space at the core
  - Create high value retail, residential and commercial real estate in the Fountain Square precinct
  - Be a catalyst for new development throughout Center City
3. Working group in final selection stage for retail development partner. Timing December 03.
4. 2004 Action Plan under development.

#### **Over the Rhine (OTR)**

1. Established Working Group consisting of key OTR stakeholders.
2. Established vision:  
Revitalize OTR as a vibrant, mixed use, mixed income, diverse urban neighborhood in accordance with the OTR Comprehensive Plan.
  - initial focus on Washington Park and the Vine Street Corridor.
3. Hired full-time OTR Project Manager, Des Bracey, who will start on Jan. 5.
4. 2004 Action Plan based on the OTR Comprehensive plan under development.

## **The Banks**

1. Created Working Group consisting of key Riverfront stakeholders.
2. Established vision:  
Develop The Banks as an exciting new Cincinnati neighborhood on a great Riverfront park (consistent with Riverfront Advisors Plan).
3. Working with public partners (City, County, Port Authority) to define roles/responsibilities and working agreements, which are expected to be completed in early 2004.
4. 2004 Action Plan under development.

For comments and questions, please contact Kevin Armstrong at 513-861-3220.